

1 Her education includes a B.A. in biology  
2 at St. Olaf College, a J.D. at William Mitchell  
3 College of Law, and a Masters in Business  
4 Administration from the University of Minnesota.  
5 She is a 2001 graduate of the NAB Educational  
6 Foundation's Broadcast Leadership Training  
7 Program.

8 Sylvia is currently serving as interim  
9 president of American Women in Radio and  
10 Television, and will return to her position as  
11 chair of the AWRT national board of directors in  
12 March.

13 MS. STROBEL: Thank you. On behalf of  
14 American Women in Radio and Television, I want to  
15 thank you for inviting us to participate in this  
16 workshop today.

17 My name is Sylvia Strobel, and I am the  
18 interim president of AWRT. Prior to stepping into  
19 this role in October, I was a member of the  
20 National Board of Directors of AWRT for eight  
21 years, and most recently served as Chair.

22 AWRT is proud of its 59-year history.

1 It was formed in 1951 as a successor to the  
2 National Association of Broadcasters Women's  
3 Division. NAB approved the new organization,  
4 offering complete cooperation and assistance.

5 The following year, more than 280 women  
6 gathered to celebrate and approve the structure of  
7 AWRT. We have grown our membership immensely  
8 since its founding, and we have 19 professional  
9 chapters throughout the United States. Our  
10 members are quite diverse in age, work experience  
11 and job duties. AWRT local chapters provide  
12 members with a local forum for personal and  
13 professional development, and enhanced leadership,  
14 public speaking, and group decision-making skills.

15 The mission of AWRT is to advance the  
16 interests of women in media and allied fields by  
17 educating, advocating and acting as a resource to  
18 our members, the industry, and the public at  
19 large. One of our key goals is to promote the  
20 entry, development, advancement, and retention of  
21 women in the media industry.

22 AWRT continues to evolve to meet the

1 needs of its members in a changing media  
2 landscape, and serves as a partner, resource, and  
3 educational service provider to the media industry  
4 at large. Ongoing initiatives include government  
5 and regulatory advocacy, employment information  
6 services, professional development programs, and  
7 industry updates.

8 Two new initiatives undertaken by AWRT  
9 headquarters over the last few years include a new  
10 student chapter program and a mentoring program.  
11 Both are geared to increasing the number of women  
12 entering the media industry, as well as providing  
13 career advancement opportunities.

14 AWRT currently has eight student  
15 chapters, with several more student chapters in  
16 development. Our student chapters include Georgia  
17 State, Spellman College, George Washington  
18 University, Lyndon State, Howard University,  
19 Montclair State University, Penn State University,  
20 and Central Michigan University.

21 Our student members are recognized  
22 through our annual Gracie awards, and offered

1 scholarships to attend AWRT education events, like  
2 our annual Women's Media Forum, which is held here  
3 in D.C. every March.

4 Where possible, students are paired with  
5 professional AWRT chapters and/or members for  
6 additional career development guidance.

7 AWRT's mentorship program was developed  
8 nearly four years ago to pair senior-level AWRT  
9 members in the media industry with emerging  
10 professionals. Mentoring is a powerful tool that  
11 is critical to the advancement of women, as well  
12 as to the success of the broadcast companies and  
13 the media industry as a whole. Not only does it  
14 play a significant role in the development of an  
15 individual's career, it helps companies enhance  
16 the skills of their employees and diversity of  
17 their workplace.

18 AWRT's student chapter program and  
19 membership program are critical if we are to  
20 provide meaningful employment and advancement  
21 opportunities for women in the media industry.

22 Furthermore, the number of women in

1 management or ownership in the media industry is  
2 still small. And programs like those offered by  
3 AWRT can provide a direct link to increase the  
4 number of women in executive roles, serving on  
5 corporate boards, and owning media companies.

6 We have all seen the dismal numbers:  
7 Too few women hold senior management positions in  
8 broadcast companies, and only 5 percent of  
9 television stations and 6 percent of radio  
10 stations are owned by women.

11 Few women serve on the boards of Fortune  
12 500 media companies, or hold the position of CEO.  
13 When drilling down to mid-sized companies, the  
14 number of women holding leadership or ownership  
15 positions is still relatively small.

16 It is difficult to reconcile these  
17 numbers when realizing that more women than men  
18 have been graduating with bachelor's degrees since  
19 the 1980s, which reflects most of the workforce  
20 under the age of 50.

21 AWRT will continue to advocate on behalf  
22 of its membership in the media industry to change

1     these facts and figures, and increase  
2     opportunities for women through proactive,  
3     productive, and measurable programs and  
4     incentives.

5             We are pleased to be invited to  
6     participate in the workshop and provide our  
7     suggestions and recommendations for improving the  
8     opportunities for women in the media industry.

9             We would ask that the FCC weigh changes  
10    to the current media ownership rules that take  
11    into account any disparate impact of such change  
12    on women's ability to purchase stations and/or be  
13    a part of the purchasing station's senior  
14    management teams.

15            Where possible, we also respectfully  
16    request that women's access to capital to purchase  
17    stations be thoroughly reviewed, with the  
18    understanding that the majority of station  
19    purchases, including stations in small markets and  
20    rural areas, generally exceed SBA-guaranteed loan  
21    amounts, and are not well received by local or  
22    regional lenders or investors, who have little

1 experience evaluating broadcast properties.

2 We realize that the current economy and  
3 evolution of digital technology has had a profound  
4 impact on the broadcast industry, and that any  
5 changes made to the media ownership rules must  
6 account for many factors.

7 AWRT certainly does not promote changes  
8 that hinder the broadcasting industry's ability to  
9 evolve, compete, and continue to provide key  
10 services -- particularly to local markets.

11 However, we do recommend due diligence research  
12 and, where possible, specific programs that  
13 provide resources and financing options for women  
14 seeking to advance in the media industry, or  
15 invest in media properties.

16 AWRT is willing and able to provide  
17 assistance, research, outreach, and training in  
18 support of the FCC's work in this regard.

19 Thank you.

20 MR. REED: Well, thank you all for your  
21 comments. And thank you again for being here to  
22 lend us your expertise.

1 I'd sort of like to start it off. I  
2 think we're going to be getting questions from the  
3 audience, and I believe we'll get questions from  
4 the Internet, as well.

5 But let me start it off with something  
6 that you've all alluded to.

7 Yesterday we held a workshop here, a  
8 roundtable discussion on broadband strategies for  
9 minority radio. And one of the consensus opinions  
10 was that, in effect, there's a perfect storm here  
11 for minorities in broadcasting -- the recessionary  
12 market, as you referred to, the aftereffects of  
13 consolidation, multi-platform competition -- the  
14 exodus of ad dollars to Internet media outlets,  
15 and, as Michael alluded to, the cost of the DTV  
16 transition.

17 All of those factors have really  
18 hammered at minority broadcasters. So my first  
19 question is in that context.

20 Looking at our media ownership rules --  
21 the current media ownership rules -- what effect  
22 do those rules have on minority and female



1 ownership in broadcasting?

2 And I'll just put that out to the panel.  
3 Or, as Jake did in the prior panel, we'll start  
4 first with you, Faith.

5 MS. BAUTISTA: I'm going to have to  
6 change my last name to Zautista.

7 No, obviously we will not have this  
8 hearing if the rules were favorable. I, as a  
9 minority, you know, immigrant, for us to watch our  
10 -- the news in the Philippines, we have to pay \$79  
11 a month to get that cable. And for us to even be  
12 part of the media, we've got to be part of, you  
13 know, a big media like Verizon, which they require  
14 so much requirements. So therefore, it's only the  
15 last four years, actually, that the Filipino  
16 Channel has been out in the United States. And  
17 the other media, which is the GMA, it's only been  
18 last year.

19 And, you know, there are 4 million  
20 Filipinos in the United States who want to see the  
21 news in the Philippines, cannot even have that  
22 access until they pay so much the cable.

1           With the crisis right now, you know, the  
2       foreclosure crisis, it's so funny that we do  
3       foreclosure prevention counseling, and the last  
4       budget they will remove is the cable because that  
5       is very important to them, you know. That is  
6       their stress reliever from all the crises that  
7       they have, even they lost their job. And that's  
8       just, you know, "I'd rather lose my manicure,  
9       pedicure, don't take that cable away from me."

10           So I'm just really hoping -- and this is  
11       why I got involved, really, with the FCC -- is how  
12       can we increase that ownership?

13           And I mentioned I've been involved in  
14       the supplier diversity. And I think if FCC can  
15       start the supplier diversity, in two years, four  
16       years from now, eventually there will be an  
17       increase of ownership.

18           I'm always in favor of the first-year,  
19       second-year supplier. The reason why I mentioned  
20       some of the utility companies' success is because  
21       the California Public Utilities Commission, the  
22       president (inaudible) made it part of their DNA

1 that supplier diversity has got to be part of  
2 corporate responsibility. So, therefore, business  
3 ownership starts to flourish from there.

4 If FCC can do the same things -- I mean,  
5 I'm more on the result-oriented, and I'm here  
6 speaking as a grassroots, speaking really for the  
7 small businesses -- especially the women of color.  
8 There is really no chance, or little chance for  
9 them to gain access to these resources.

10 MR. REED: Others have a reaction?  
11 Sylvia?

12 MS. STROBEL: We all know that the  
13 number of women and minorities owning stations is  
14 very small. So, clearly, whatever we've been  
15 doing has not been working.

16 But the question I had when I was  
17 thinking through this, in preparation for this  
18 workshop -- is it the current rules? Or is it the  
19 business practices that need to change?

20 We can relax the rules, we can tighten  
21 the rules, we can keep them as is. I'm not sure  
22 that's really going to solve the problem of women

1 and minorities' buying stations, or moving into  
2 senior management ranks, unless we actually look  
3 at coming up with some solutions and  
4 recommendations for changing the business  
5 practices that currently exist.

6 MR. ROBERTS: I'm going to comment. I'm  
7 going to use an experience.

8 When we were in the auction to buy the  
9 last couple of TV stations we bought, within 10  
10 years ago -- there's an attribution rule. Because  
11 I served on a board of a publicly-held company  
12 that owned about 11 stations, you had a rule that  
13 said, "We can give you a 25 percent discount on  
14 your bid if you are a minority," or whatever your  
15 definition at the time was. It seems to have  
16 always been a moving target, "designated entity,"  
17 I don't know what we are today based on your  
18 changing terms. But at the time, you allowed  
19 that.

20 Well, we owned two TV stations, and the  
21 requirement was arbitrarily three. And if you  
22 owned more than two, you would not be eligible for

1       that 25 percent discount in the auction.

2               Well, we started the auction and,  
3       because I was a board member, I was attributed to  
4       having 11 stations. So I had to resign from that  
5       position.

6               But the timing of my resignation came  
7       subsequent to the beginning of the bidding  
8       process. So even though I was not on the board at  
9       the time we won and it was time for us to be  
10      determined the owner, the competing entity decided  
11      that they were going to challenge the rule. And  
12      you guys punted on me. And basically, instead of  
13      getting that 25 percent discount, which was over  
14      \$2 million to work with us, you suggested that I  
15      just define myself as if I owned three stations at  
16      the time, and I wasn't any longer eligible. And  
17      then I had to write that extra \$2 million check in  
18      order to get it. And I did it.

19              But I felt that you turned your backs on  
20      the opportunity to make sure that  
21      African-Americans would have owned stations in  
22      some very unique markets -- specifically, Jackson,

1 Mississippi, and Columbia, South Carolina.

2 But we prevailed, we went on. We paid  
3 up. And as a result, you know, we're on the air  
4 now.

5 So I'm going to suggest that from time  
6 to time, that you put your money where your mouth  
7 is. That you, in fact, get out here and do the  
8 best you can to help those of us who are trying to  
9 make it work.

10 And, you know, I was a former alderman.  
11 And in the political world there's an old phrase,  
12 "To our enemies, we follow the rules. To our  
13 friends, we'll do anything necessary."

14 And I'm going to suggest that you start  
15 looking more closely at yourself to determine  
16 where your rules are, and what you can do to  
17 interpret them to help us succeed in the future.

18 MR. REED: David? Do you have --

19 MR. HONIG: There is so much that the  
20 Commission can complain about but can't do  
21 anything about. It can't do much about the  
22 economy -- at least directly. It can't do much

1 about competition from other platforms -- at least  
2 directly.

3 But there is no shortage of pending  
4 proposals gathering dust at this agency for years  
5 and sometimes decades that the Commission just let  
6 sit and sit and sit. Due process is never  
7 afforded. They are never dusted off. And many of  
8 them are now foregone opportunities.

9 I could give you over two dozen  
10 examples. I just want to pick a few.

11 The Commission adopted EEO rules in  
12 1971, stopped enforcing them about nine years ago,  
13 has had a slew of proposals about how it could  
14 begin to do that, and has done nothing. EEO rules  
15 are vital to minority ownership because that's  
16 where the talent pool comes from.

17 We now have a situation with AM  
18 journalism. RTNDA has studied this. We've looked  
19 at their data. We pointed out a couple years ago  
20 -- and are still waiting for action on this --  
21 that the percentage of minorities in radio  
22 journalism, English-language radio journalism now,

1 if you tease that out of RTNDA's figures, is less  
2 than 1 percent. It's where it was in 1950.

3 There's been a purge. A purge. And the  
4 Commission has done nothing.

5 The Commission adopted its advertising  
6 non-discrimination rule, it took us 24 years to  
7 get that. In 2007 to this day, it doesn't have  
8 anyone on the staff to enforce it. That's more  
9 than two years after it adopted the rule.

10 This is a process that is a 5 to 10  
11 percent hit every year on minority broadcasters  
12 who earn money and never get to collect it.

13 It's obscene, people. Just give a few  
14 other examples. The tax certificate policy was  
15 repealed by Congress in 2005. Every year, the  
16 Commission sends a polite letter to Congress  
17 saying it would be nice to have it back. It's  
18 common wisdom. No one opposes it.

19 Why haven't the Commission's legislative  
20 people gone up to the Ways and Means Committee and  
21 just camped out and insisted, "This is vital if  
22 we're going to have this important industry



1 survive and be diverse." This should not be hard.

2 Why is the performance tax sitting out  
3 there as a potential hit on minority radio  
4 especially, small radio especially, and the  
5 Commission's legislative office has said nothing.  
6 This is something that could cost minority  
7 broadcasters \$100- or \$200 million a year,  
8 depending on who's counting.

9 And the proposals the Diversity  
10 Committee has put before it. It started in 2003,  
11 44 proposals are pending. MMTC and the Diversity  
12 in Competition supporters, 31 organizations have  
13 -- God, I've lost count -- it's, I think, 28 or 29  
14 pending proposals before the agency. There is  
15 some overlap.

16 Just one example I mentioned earlier.  
17 The idea of having around-the-edges waivers for  
18 incubator programs -- which ought to be not  
19 controversial. It's about as conservative as you  
20 get. Give someone something else. It's a win-win  
21 -- in exchange for them doing something for the  
22 public interest.

1           That was proposed in 1990, and it's  
2           still sitting there.

3           Now, that's not the fault of any one  
4           person. It's institutional failure, because this  
5           is not a priority.

6           And, boy, did it get solemn here when I  
7           said that. Because we all know it's true. And  
8           yet we wake up tomorrow, and nothing's going to be  
9           done about.

10          What do we have to do? Picket the  
11          building? I mean, this is -- it's obscene,  
12          people. And it's about time someone said what it  
13          is.

14          MR. REED: Okay. Well, it seems like  
15          we've gotten a couple ideas here -- institutional  
16          inaction. And some factors related to perhaps a  
17          proposal for behavioral changes in the rules.

18          Professor Angela Campbell -- just  
19          getting back to the rules for a second -- said  
20          quite candidly in the prior panel that her  
21          recommendation was for tightening of the ownership  
22          rules rather than relaxing them. And getting back

1 to what impact, you know, the rules have on women  
2 and minority-owned businesses.

3 That specific question -- what's your  
4 opinion of whether the rules should be tightened  
5 or relaxed?

6 MR. HONIG: I'll take that one. We have  
7 to be aware of unintended consequences.

8 MR. REED: Hmm.

9 MR. HONIG: There are some rules which  
10 could be tightened without having the financial  
11 markets go crazy. You know, it sometimes is said  
12 that, you know, when corporate America catches a  
13 cold, corporate minority America gets the flu. So  
14 we have to be very careful that people who write  
15 checks don't just decide to go in the widget  
16 business tomorrow because the expectations that  
17 they have, and their business plans that were  
18 based on Commission rules suddenly get thrown out  
19 the window.

20 If the Commission, for example, decided  
21 we're not going to have eight-year renewals, we're  
22 going to have three-year renewals, that wouldn't

1 be a bad idea. That wouldn't hurt the financial  
2 markets that much.

3 If it said, "We're going to stop  
4 deregulating and freeze what we have, and work  
5 around the edges," that probably wouldn't have  
6 much effect on the financial markets or on the  
7 availability of capital.

8 If it suddenly started to require  
9 massive divestitures, that would have a short-run  
10 positive impact for those who got some of the  
11 divestitures, but it would have a greater negative  
12 impact, based on money leaving the business.  
13 You'd have 100 percent of nothing, in effect.

14 So we have to be cautious about where --  
15 and really use careful economic analysis in  
16 deciding what, if any, rules can be rolled back  
17 that relate to ownership structure. It's very  
18 difficult, once you deregulate, to later  
19 re-regulate ownership rules, which is another  
20 reason just to be very careful before you have  
21 deregulation at all.

22 MR. REED: Anyone else?

1 MS. STROBEL: I would just say, I agree  
2 with David 100 percent. I think the more data  
3 that we can collect through this process, the  
4 better. I think we heard from the prior panel,  
5 and some of us on this panel, were talking about  
6 the fact of the lack of data and real measurements  
7 on the impacts of some these ownership rules.

8 But I think the thing that we all agree  
9 on is we don't want to take action and have it  
10 negatively impact the broadcasting industry so  
11 that it can no longer compete. That's not going  
12 to help women or minorities buy stations, and it's  
13 going to result in a lot of job loss among our  
14 colleagues.

15 MR. REED: Sylvia, you said earlier --  
16 and correct me if I'm mistaken in quoting you --  
17 essentially you talked about business practices.  
18 And we're talking about ownership structure, but  
19 it seems that you were alluding to the fact that  
20 maybe behavioral changes in the rules would be  
21 more effective.

22 Can you elaborate on that?

1 MS. STROBEL: Yes. I mean, I think  
2 Michael brought up one really good example. And  
3 that probably gets more at some of the rules than  
4 anything.

5 But I know David has mentioned this, too  
6 -- creating some incentives that change the  
7 behavior of companies, particularly media  
8 companies and broadcasters, so that they have more  
9 incentive to invest in or provide resources to  
10 women and minorities who are looking to buy  
11 stations. I know there are some examples out  
12 there of some creative financing that's going on  
13 to assist women and minorities buy stations. But  
14 we need to see a lot more of this.

15 And in the current economic environment  
16 it's very difficult for most of the large stations  
17 to get the financing they need right now to just  
18 maintain operations. It's virtually impossible  
19 for a new entrant to get the financing.

20 So the more incentives we can create to  
21 change behavior, and change current business  
22 practices so that it promotes women and minorities

1     owning stations, owning a percentage of a station  
2     -- it may not be 51 percent, but having some kind  
3     of ownership and management authority of a  
4     station, I think the better. That's how we're  
5     going to get from where we are to where we need to  
6     be.

7             MR. ROBERTS: I agree with you. You  
8     know, basically, we're trying to create a voice to  
9     the community. I mean, that's really what it's  
10    all about. It's a visual and it's an audio voice  
11    to the community that delivers entertainment,  
12    news, et cetera.

13            Now, one of the questions that I would  
14    ask of you is to consider perhaps changing your  
15    foreign ownership rules. You know, frankly, if  
16    you look at who might take an interest in  
17    investing in our community, it won't be just the  
18    special-interest Australian that you allowed to  
19    have this happen to, but maybe people from China  
20    and the Philippines and some other places that  
21    have emerging large capital funds which, in fact  
22    -- I mean, at some point, if they become citizens

1 here, then we have that opportunity and we're  
2 ahead of the game.

3 That might be one of our financing  
4 sources. I mean, we know that there are some  
5 challenges out here with the banks. We understand  
6 that. There isn't that much we can do about it.

7 But if you allowed for that ownership  
8 rule to be expanded slightly from a -- foreign  
9 ownership rule to be expanded, perhaps that may be  
10 yet another option that we could place on the  
11 table for financing and, frankly, minority  
12 ownership as we will define it in the future.

13 MR. REED: David?

14 MR. HONIG: I want to underscore two  
15 very important points that Mike Roberts has made.

16 On the subject of foreign ownership, you  
17 know, we don't have those -- the Commission has  
18 authority to decide case by case that the public  
19 interest is served, or someone has more than 25  
20 percent foreign ownership. That's what 3.10(b)(4)  
21 says. And it's been done once in the case of this  
22 gentleman, in the case that I lost in 1995. I'm



1 old enough.

2 And I've realized that I kind of was on  
3 the wrong side of that case. I'll admit it.  
4 Because of the possibility that sources of capital  
5 unavailable or uninterested in this country might  
6 be interested elsewhere, especially from South  
7 America, from Spain, from Mexico, from the  
8 Philippines, from Japan. And that would be a  
9 great thing.

10 We proposed, as did a large coalition of  
11 organizations, that the Commission change its  
12 foreign ownership rules to make them commensurate  
13 with the way it handles foreign ownerships in the  
14 common carrier space, and in the cable space.

15 And the Commission, in a couple  
16 sentences, in the last deregulation order, denied  
17 that request. We have it on reconsideration, and  
18 it has been sitting there on reconsideration for  
19 almost two years. And this is one of the three or  
20 four most significant things the Commission could  
21 do to jump-start access to capital for minorities  
22 in this business. And it's just sitting there.